GOVERNMENT OF INDIA
TOURISM AND CULTURE
LOK SABHA

UNSTARRED QUESTION NO:83
ANSWERED ON:15.07.2002
INFRASTRUCTURE FOR HOTEL INDUSTRY
SUDARSANA E.M. NATCHIAPPAN

Will the Minister of TOURISM AND CULTURE be pleased to state:

(a) the details of investment made by Hotel Industry in building-up infrastructure in tourism and hospitality sector for providing world class hotel facilities;

(b) whether low capacity utilization of hotels in India is due to lack of co-ordination between the Central and State Governments;

(c) if so, the remedial steps proposed to be taken to improve the situation; and

(d) the details of Luxury Tax and Sales Tax being levied by various State Governments on hotels, State-wise?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI JAGMOHAN)

(a): Hotel and hospitality industry is a private sector activity. For augmenting investment in the tourism sector, foreign direct investment amounting to Rs.48611.47 million has been approved by the Government in Hotel and Tourism Sector from August, 1991 to April, 2002.

(b): No, Sir.

(c): Does not arise.

(d): The information of various States is attached at Annexure `A`

ANNEXURE IN RESPECT OF PART (d) OF LOK SABHA UNSTARRED QUESTION NO.83 ANSWERED ON 15.7.2002 REGARDING INFRASTRUCTURE FOR HOTEL INDUSTRY

Taxes applicable to hotel guests in various States in India

State Luxury Tax Sales Tax

Andhra Pradesh

Room Rates

Below Rs. 300/- : Nil
Above Rs. 300/- : 5%
On : Published Tariff
On F & B : 8%
Assam
Room Rates
Rs.100/-to 200 :10%
Rs.201/-to 300 :15%
Rs.300/-& above :20%
On : Published Tariff
On : Room Rates only
Food : 8.8%
Beverage : Nil

Bihar
Room Rates
All hotels : 7%
On : Actuals
On : Room

Food : 8% + (Turnover Tax: 1%)

Turnover Tax on : 1%
Soft drinks, juice
& Ice creams
Liquor :25%+2%
Chhatisgarh
Room Rates
Rs. 150/- to300/- : 5%
Rs.300/-& above :10%
On : Actuals
On : Room Only
Food and : 9.2%
Mineral water
Soft drinks : 10%
Bear, Indian liquor : Nil
Imported liquor : Nil
Delhi

Room Rates
Upto Rs. 500/- : Nil
AboveRs.500/- :12.5%
On : Actuals
On : room
Food,Juice, : 8%
Mineral water,
cigars
Preserved food : 12%
Hard liquor : 20%
Tobacco &
Soft drinks : Nil
Goa
Room Rates
Upto Rs. 100/- : Nil
Tariff below
Rs. 1500/- : 8%
Tariff Rs. 1500/-
and above : 8%
During June to August

2.5% & 4 % respectively
On : Actuals
On : Room + telephone & health club services, banquets exhibitions
Food :10.5%
Foreign : 21%
Liquor
Gujarat
Room Rates
Upto Rs. 200/- : Nil
Rs.201/-to 400/- : 7.5%
Rs.401/-to 600/- : 10%
Rs.600 & above : 15%

Food and beverages:
0-Rs.75 per person NIL
Above Rs. 75 per person 12%

Haryana
Nil
Food 12 %
Soft drink and liquor Nil

Himachal Pradesh
Room Rates
All slabs 10%
On : Actuals
On : Rooms
On Food 8 %
Soft drink and Bev. Nil
Jammu &
Kashmir
Lodging : 4.2%
Tax
Food : 8.4%
Beer & : 31.5%
Liquor

Kerala
Room Rates
Non A/c : 7.5%
A/c : 15%
On : Actuals
Food : 9.2%
Imported Liquor :100%
Trunover Tax
on local liquor : 10%
Karnataka
Room Rates
Upto Rs. 150/- : Nil
Rs. 151/-to 250/- : 5%
Rs. 251/-to 400/- : 10%
Rs. 401/- & above : 12.5%
On : Published Tariff
On: Room+telephone & laundry
On Banquet/ Health
Club/Conference 20%
Rentals.
On Food &
Confectionery :15.75%
Soft drinks : 4.2%
Indian Liquor :10.5%
Imported Liquor :63%

Indian wine, cigr.
and mineral water : Nil
Maharashtra
Room Rates
Upto Rs. 199/- : Nil
Rs.200 -, 1199 : 4 %
Rs.1200/- & above : 6 %
On : Actuals
On : Room only
Food and non alcoholic drinks
Four star & above : 20%
Others : 13%
Country liquor, IMFL: 10%
Slab rate system for turnover upto Rs. 50 lacs.
Madhya Pradesh
Room Rates
All hotels :10%
On : Published tariff
On : Room Only
Food and : 9.2%
Mineral water
Soft drinks : 10%
Bear, Indian liquor : Nil
Imported liquor : Nil
Orissa
Nil
Food : 8%
Soft drinks &
Indian liquor : Nil
Surcharge on ST : 10%
Punjab
Nil
Food : 8.8%
Ice Creams : 4.4%
Soft Drinks
Beer and IMFL : Nil

(Hard liquor)

Rajasthan
Room Rates
Upto Rs.1200/- Nil
Above Rs.1200 - 10 % from August to March & 5% from April to July.
On - Actuals
On - Room only
On Hall/Lawn Hire 10 %

8% + Surcharge on Sales Tax @ 15%
Uttar Pradesh
Room Rates
Upto Rs. 1000/- : Nil
Rs.1000/- & above: 5%
On : Actuals
On : Rooms and other Services on which Sales Tax is not paid.
Food : 8%

Liquor imported from
Out of State :32.6%
Tamil Nadu
Room Rates
Below Rs. 1000/- : 20%
Above Rs. 1000/- : 25%
On : Published Tariff
On : Room only

Food :8%
Foreign Liquor :70%
Liquor form :50%
Other States

West Bengal
All Room Rates
Rate : 10%
On : Only air-
Conditioned rooms
On : Actuals
On : Room only

Food (A/c) : 15%
Food (Non A/c) : Nil
Imported Liquor : 30%
Imported
Cigarettes, Chocs : 15%
Mineral Water : 7%
Sales in
Shopping Arcade :12-15%

Applicable only on hotels & restaurants with annual turnover of over Rs. 5.00 lacs.